

EXHIBIT 16

1 THE UNITED STATES DISTRICT COURT

2 THE DISTRICT OF COLUMBIA

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5 THE ESTATE OF ESTHER KLIEMAN, et al.,)

6 Plaintiff,)

7 vs.)

Case No.

) 04-1173 (PLF) (JMF)

8 THE PALESTINIAN AUTHORITY, et al.,)

9 Defendants.)

10 _____)

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14 DEPOSITION OF

15 MAZEN JADALLAH

16 East Jerusalem, Israel

17 June 15, 2010

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25 REPORTED BY: AMY R. KATZ, RPR

<p style="text-align: right;">Page 46</p> <p>1 Fund, so if he wants to request anything for them to 2 do, he addresses them. For Fatah, I don't know, 3 because it's not part of our budget. 4 MS. MATTA: Can I ask the witness to speak a 5 little louder so the court reporter can hear you. 6 THE WITNESS: Okay. 7 Q. In the years 2000 through 2004, was there a 8 budget line for a presidential budget that was under 9 the discretionary spending of Yasser Arafat? 10 A. "Discretionary" means? 11 (Brief exchange in Arabic between 12 Interpreter Hazou and the witness.) 13 THE WITNESS: Sorry, I cannot understand the 14 question. 15 MR. HEIDEMAN: I'll rephrase the question. 16 I would like you to add, Madam Translator, 17 tell us what George, the consultant and check 18 translator for the defendants, said to the witness just 19 now, please. 20 INTERPRETER MASARWAH: The witness didn't 21 understand what you said, so George translated for him 22 that he didn't understand that word. 23 MR. HEIDEMAN: "Discretionary"? 24 INTERPRETER MASARWAH: "Discretionary." So 25 he explained for him that "discretionary" means that,</p>	<p style="text-align: right;">Page 48</p> <p>1 Q. And as best you recall, sir, what was the 2 presidential office budget for Yasser Arafat for each 3 of the years 2000 through 2004? 4 A. Normally 2 million dollars a month, more or 5 less, of course, and depends on the availability of 6 liquidity. 7 Q. And, sir, were those expenditures audited by 8 the Palestinian National Authority Ministry of Finance 9 for the years 2000 through 2005? 10 A. Let me explain something here, if I am 11 allowed. 12 Q. Yes, of course. 13 A. Between the end of 2000 and 2003, the 14 Israeli occupation power, the Israeli military 15 occupation was sieging al-Muqata'a, where Yasser Arafat 16 was placed, and they almost smashed every building 17 available there, and they confiscated most of the 18 documentation there. So I will not -- nobody, I 19 believe, will ever be in a position to tell whether 20 those documentation were sent to the Ministry of 21 Finance, before the insurgence, before the attack at 22 al-Muqata'a, or anybody seen that. 23 It was a total mess. It was a total mess 24 caused by the Israeli Defense Forces. They were 25 sieging al-Muqata'a, prohibiting anybody from going in</p>
<p style="text-align: right;">Page 47</p> <p>1 like, he can just decide or spend the money as he 2 likes. So that's what George explained to the witness, 3 and he asked him if he knows that Arafat did that. 4 MR. HEIDEMAN: Thank you. 5 Q. And what is your answer, sir, to the 6 question as to whether Yasser Arafat had a 7 discretionary spending budget over which he made the 8 decisions as to how the monies were spent? 9 A. I don't know what does that mean. Not in 10 terms of language, but let me tell you the following. 11 The president's office is a budget line also inside our 12 budget. They have budget allocations that should be 13 normally, under normal circumstances, transferred to 14 them each month, and this is to cover their recurrent 15 expenditures. Recurrent expenditures include 16 transportation, travel abroad, include food, include, 17 for example, car maintenance, stuff like that. This is 18 what we call recurrent expenditure. So are you asking 19 about this amount of money? 20 Q. I'm asking about any amount of money that 21 Yasser Arafat had at his disposal to spend as he 22 determined it should be spent. 23 A. His own budget, his own office budget, yes, 24 he has the authority to decide where it should be 25 spent.</p>	<p style="text-align: right;">Page 49</p> <p>1 or out most of the time, demolishing buildings, 2 controlling everything going in and out. So it was 3 something that you cannot discuss in an 4 institutional-based manner. 5 Q. Thank you. 6 My question is, for the years 2000 through 7 2004, could you please tell the court whether or not 8 the Palestinian National Authority Ministry of Finance 9 audited the expenditures under the presidential office 10 budget of Yasser Arafat? 11 A. They audited all the documents the 12 documentation that they could have. The Ministry of 13 Finance audited all the documentation that it can have 14 at that time. 15 Q. And who, by name, was the auditor, if you 16 recall, for the time period 2000 through 2004, who did 17 the audits of the presidential office budget of Yasser 18 Arafat? 19 A. We don't have an auditor by name. We have 20 an audit department who used to receive payment 21 requests or payment executions from other line agencies 22 and ministries, centralized at the Ministry of Finance, 23 and then any person working there can check and certify 24 that this is against the budget line or it's not 25 against the budget line.</p>

<p style="text-align: right;">Page 174</p> <p>1 Q. And what was the reason for that variance of</p> <p>2 55 to 75?</p> <p>3 A. It depends on the amount of provisions we</p> <p>4 will be making in that particular year. So if we are</p> <p>5 -- if there is good economic conditions, if there is a</p> <p>6 little bit of relief of the siege, of the Israeli siege</p> <p>7 imposed on the Palestinian territory, then revenues</p> <p>8 will be much more better because of the economic</p> <p>9 activity. Then the percentage of the payroll will go</p> <p>10 down. If there is no real growth in the economy, then</p> <p>11 the percentage will go higher.</p> <p>12 MR. HEIDEMAN: Thank you.</p> <p>13 THE REPORTER: Counsel, would we be able to</p> <p>14 take two minutes at some point soon?</p> <p>15 MR. HEIDEMAN: Let's do it right now.</p> <p>16 (Recess taken from 3:56 to 4:06.)</p> <p>17 (Plaintiff's Exhibit 12 marked.)</p> <p>18 BY MR. HEIDEMAN:</p> <p>19 Q. Let me hand you what has been marked as</p> <p>20 Exhibit 12 to this deposition and ask you if you can</p> <p>21 identify this document. It bears Bates number 000407.</p> <p>22 Can you identify that document?</p> <p>23 A. Yes. This is a spreadsheet, summary sheet</p> <p>24 for the budget between 1998 to 2006.</p> <p>25 Q. And for the year 2002, sir, does it indicate</p>	<p style="text-align: right;">Page 176</p> <p>1 A. No, it wasn't 150,000.</p> <p>2 Q. Do you think it was more or less?</p> <p>3 A. No, I believe it was less.</p> <p>4 Q. What range do you believe the number of</p> <p>5 employees was?</p> <p>6 A. Between a hundred to a hundred ten thousand,</p> <p>7 something like that.</p> <p>8 Q. Hundred to a hundred ten thousand?</p> <p>9 A. Something like that. This is estimation out</p> <p>10 of my mind; it's not real figures.</p> <p>11 Q. Out of the one hundred to one hundred ten</p> <p>12 thousand employees in 2002, what's your best</p> <p>13 recollection as to how many of those would have been</p> <p>14 engaged in the area of security?</p> <p>15 A. It's not easy to answer such a question. I</p> <p>16 have to go back to the records.</p> <p>17 Q. We will ask you to do so and to provide that</p> <p>18 to us. But as you sit here today, what's your best</p> <p>19 approximation, knowing that it's an approximation, of</p> <p>20 the percentage of employees that were involved in the</p> <p>21 security field as opposed to anything else?</p> <p>22 A. I would say 35 percent. This is a very</p> <p>23 rough figure that can vary totally, can be totally</p> <p>24 different, but this is from following up those</p> <p>25 information all those years, I can say that it was</p>
<p style="text-align: right;">Page 175</p> <p>1 the amount of expenses for wages?</p> <p>2 A. Yes.</p> <p>3 Q. What amount is that?</p> <p>4 A. 3 billion, 181 million Israeli shekels.</p> <p>5 Q. What is the approximate percentage of wages</p> <p>6 to the total current expenses in the budget?</p> <p>7 A. You mean to the total wage?</p> <p>8 Q. To the total, the amount of wages to the</p> <p>9 total budget.</p> <p>10 A. So you have to divide 3 billion, 181 million</p> <p>11 over 5 billion, 223 million shekels, you will exclude</p> <p>12 the -- you will conclude the percentage. This is</p> <p>13 compared to the recurrent budget, to the overall</p> <p>14 budget. The development expenditure is not included.</p> <p>15 If you want the percentage of the wage bill</p> <p>16 compared to the recurrent expenditures, you have to</p> <p>17 divide 3 billion, 181 million over 5 billion, 223</p> <p>18 million.</p> <p>19 If you want to compare it to the overall</p> <p>20 budget, you have to divide the same figure, 3 billion</p> <p>21 181 million, over 6 billion 392 million.</p> <p>22 Q. And you previously testified that there were</p> <p>23 approximately 150,000 employees of the Palestinian</p> <p>24 Authority. Would that have been an actual or</p> <p>25 approximate number in 2002, as best you recall?</p>	<p style="text-align: right;">Page 177</p> <p>1 about there.</p> <p>2 Q. Thank you.</p> <p>3 If you could run that number and provide it</p> <p>4 to us as Exhibit 12A, we would appreciate it, so</p> <p>5 provide it to your attorneys.</p> <p>6 A. If our lawyers don't have an objection.</p> <p>7 MR. O'TOOLE: For all of these, he may not</p> <p>8 be the right person for this information, and if he's</p> <p>9 not, then it can come in through one of the other</p> <p>10 depositions. Then there may be no need for this.</p> <p>11 MR. HEIDEMAN: Thank you.</p> <p>12 Q. In your earlier testimony you said that</p> <p>13 there was a variance of 55, I think you said, to 75</p> <p>14 percent that was spent on wages. Let me --</p> <p>15 A. Of the recurrent budget.</p> <p>16 Q. Of the recurrent budget?</p> <p>17 A. In dealing with financial terminologies you</p> <p>18 have to be very precise, because one word might change</p> <p>19 the whole thing.</p> <p>20 (Plaintiff's Exhibit 13 marked.)</p> <p>21 Q. Let me hand you what has been marked as</p> <p>22 Exhibit 13, which bears a Bates number of 403, and ask</p> <p>23 if you can identify this document.</p> <p>24 It says in English at the top, and I don't</p> <p>25 know if you know whose writing that is, "budget</p>